



Student Loan Forgiveness is Already Available

TO FEDERAL BORROWERS



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There's been a great deal of news coverage discussing various proposals to offer student loan forgiveness to federal borrowers. The fact is, **student loan forgiveness opportunities, for those who actually need the help, are already built into our existing federal student loan programs**, and we must continue to focus on educating borrowers to enroll and leverage them.

The forgiveness program that's available to you will vary by the type of loan you're enrolled in. Contact your student loan servicer to learn more about your options.

③ There are currently **three routes** to student loan forgiveness provided by the federal government and the taxpayer. **Let's walk through them:**

Loan Forgiveness via Income-driven Repayment Plans

Borrowers with high federal student loan payments compared to their income are all currently eligible for federal student loan forgiveness via income-driven repayment plans. An income-driven repayment plan sets a borrower's monthly student loan payment to an amount that is intended to be affordable – based on their income and family size.

If a borrower's income is low, their payment could be as low as \$0 per month. And, at the end of the repayment period, any remaining loan balance is automatically forgiven.

While more than a third of all federal borrowers have taken advantage of the lower payments and loan forgiveness opportunities offered via income-driven repayment plans, we need to continue to educate others about these opportunities.

The Public Service Loan Forgiveness Program

Federal borrowers employed by a U.S. federal, state, local, or tribal government or not-for-profit organization may be eligible to enroll in the Public Service Loan Forgiveness Program.

This federal program forgives the remaining balance on Direct Loans after 120 qualifying monthly payments are made within a qualifying repayment plan while working full-time for a qualifying employer.

The 120 qualifying monthly payments do not need to be consecutive. For example, if a borrower has a period of employment with a non-qualifying employer, they will not lose credit for prior qualifying payments made.

The Teacher Loan Forgiveness Program

Borrowers who teach full-time for five complete and consecutive academic years in a low-income school or educational service agency, and meet other qualifications, may be eligible for student loan forgiveness of up to \$17,500 on Direct Subsidized or Unsubsidized Loans and Subsidized or Unsubsidized Federal Stafford Loans.

Interestingly, a borrower can potentially receive forgiveness under both the Teacher Loan Forgiveness Program and the Public Service Loan Forgiveness Program, but not for the same period of teaching service.

Keep in mind – while loan forgiveness is currently a hot topic, there are additional flexible options federal borrowers can leverage to pause their student loan payment or lower their payment amount to a more manageable level:

Deferment

allows a borrower to temporarily stop making student loan payments and pauses the accrual of loan interest on subsidized loans.

Forbearance

allows a borrower to postpone student loan payments or reduce the monthly payment amount, but interest will continue to accrue on the loan.

Taxpayers Will Give
! HALF A TRILLION
To Student Loan Borrowers

> **\$1.4 TRILLION**
The amount of student loan debt held by the federal government this year.

> **\$435 BILLION**
The amount of federal loans that will be forgiven or will not be repaid under the current law.